

Docket No. 2014-346-WS

Daufuskie Island Utility Company, Inc.**Tariff - Statement of Proposed Rates**

| | | | <u>Proposed Rates</u> |
|--|--|---------------------------------|---------------------------|
| I. <u>Residential Rates</u> | | | |
| A. <u>Water:</u> | | | |
| 1) | Base Quarterly Charge | | \$139.30 |
| 2) | Consumption Charge (per 1,000 gallons) | 0 to 22,500 gallons per quarter | \$4.03 |
| | | Over 22,500 gallons | \$4.03 |
| B. <u>Sewer:</u> | | | |
| 1) | Base Quarterly Charge | | \$199.32 |
| 2) | Volumetric Charge (per 1,000 gallons) | 0 to 22,500 gallons per quarter | \$2.13 |
| | | Over 22,500 gallons | \$2.13 |
| C. <u>Irrigation:</u> | | | |
| 1) | Consumption Charge (per 1,000 gallons) | 0 to 18,000 gallons per quarter | \$4.43 |
| | | 18,001 to 60,000 gallons | \$5.23 |
| | | Over 60,000 gallons | \$6.04 |
| II. <u>Commercial Rates</u> | | | |
| A. <u>Water:</u> | | | |
| 1) | Base Quarterly Charge | | \$194.99 |
| 2) | Consumption Charge (per 1,000 gallons) | 0 to 22,500 gallons per quarter | \$4.03 |
| | | Over 22,500 gallons | \$4.03 |
| B. <u>Sewer:</u> | | | |
| 1) | Base Quarterly Charge | | \$279.00 |
| 2) | Volumetric Charge (per 1,000 gallons) | 0 to 22,500 gallons per quarter | \$2.13 |
| | | Over 22,500 gallons | \$2.13 |
| C. <u>Irrigation:</u> | | | |
| 1) | Consumption Charge (per 1,000 gallons) | 0 to 18,000 gallons per quarter | \$4.43 |
| | | 18,001 to 60,000 gallons | \$5.23 |
| | | Over 60,000 gallons | \$6.04 |
| III. <u>Availability Charge</u> | | | |
| A. <u>Water:</u> | | | |
| 1) | Base Quarterly Charge | | \$100.54 |
| B. <u>Sewer:</u> | | | |
| 1) | Base Quarterly Charge | | \$128.56 |

Docket No. 2014-346-WS

Daufuskie Island Utility Company, Inc.
Water and Wastewater Systems
Combined Operating Statement

| | Company Pro Forma Proposed Rates | PSC Order (a) | |
|---------------------------------------|--|---------------|-----------------------------|
| | | Adjustments | Pro Forma Proposed Rates |
| Operating Revenue: | | | |
| Residential | \$710,786 | (\$86,649) | \$624,137 |
| Commercial | 287,589 | (27,633) | 259,956 |
| Irrigation | 213,238 | (29,969) | 183,269 |
| Availability Billing | 992,880 | (94,562) | 898,318 |
| Misc. Other Revenue | 63,229 | (5,150) | 58,079 |
| Interdepartmental Sales | 0 | 0 | 0 |
| Billing Adjustments | 0 | 0 | 0 |
| Total Revenues | 2,267,722 | (243,963) | 2,023,759 |
| Operating Expense: | | | |
| Wages | 164,752 | 11,838 | 176,590 |
| Benefits | 10,686 | (4,486) | 6,200 |
| Director's Fees | 16,500 | 0 | 16,500 |
| Sludge Disposal | 0 | 0 | 0 |
| Power | 166,718 | (36,537) | 130,181 |
| Chemicals | 9,510 | (490) | 9,020 |
| Supplies & Maintenance | 28,543 | (1,427) | 27,116 |
| Outside Services-Mgmt | 171,364 | 1 | 171,365 |
| Outside Services-Engineering | 8,013 | 2,124 | 10,137 |
| Outside Services-Accounting | 2,762 | (1) | 2,761 |
| Outside Services-Legal | 23,178 | 0 | 23,178 |
| Outside Services-Testing | 92,289 | (1) | 92,288 |
| Outside Services-Other | 38,622 | (1) | 38,621 |
| Other Operating Expenses | 0 | 0 | 0 |
| Transportation | 2,756 | (306) | 2,450 |
| Bad Debt | 30,852 | 168,309 | 199,161 |
| Insurance | 48,322 | (9,409) | 38,913 |
| Regulatory Commission Expense | 15,636 | 0 | 15,636 |
| Other A&G Expenses | 36,436 | 2 | 36,438 |
| Accepted ORS Adjustment | 0 | (50,988) | (50,988) |
| Total O&M Expense | 866,939 | 78,629 | 945,568 |
| Depreciation | 95,266 | (12,706) | 82,560 |
| Amortization of Rate Case Exp | 140,221 | (49,427) | 90,794 |
| Amortization of Deferred Property Tax | 65,855 | 0 | 65,855 |
| Revenue Taxes | 14,320 | 3,014 | 17,334 |
| Property Taxes | 192,301 | 1 | 192,302 |
| Payroll Taxes | 13,732 | (520) | 13,212 |
| State and Federal Income Taxes | 260,495 | (84,153) | 176,342 |
| Total Operating Expenses | 1,649,129 | (65,162) | 1,583,967 |
| Net Operating Income | \$618,593 | (\$178,801) | \$439,792 |
| Rate Base | \$7,085,475 | (\$1,192,338) | \$5,893,137 |
| Rate of Return | 8.73% | | 7.46% |
| Revenue Increase | 108.9% | | 88.5% |
| Interest Expense | \$180,680 | (\$37,477) | \$143,203 |
| Operating Margin | 19.3% | | 14.7% |

Note (a):

- 1) Restored Water Tank Site Assets.
- 2) Restored correct level of property tax expense and amortization of deferred taxes
- 3) Restore bad debt expense to 9.82% of revenue and adjusted for revenue increase.
- 4) Restore Mgmt Fees to "As Filed" Expense
- 5) Limit Rate Case Costs allowance to ORS's level and amortized over 3 years.

Daufuskie Island Utility Company, Inc.

Water Operating Statement

| | Company's Pro Forma Proposed Rates | PSC Order | | | Pro Forma Proposed Rates |
|--------------------------------|--|----------------------------|----------------|--|-----------------------------|
| | | Pro Forma Present Rates | Adjustments | | |
| Operating Revenue: | | | | | |
| Residential | \$146,590 | \$139,563 | \$144,461 (1b) | | \$284,024 |
| Commercial | 72,931 | 72,912 | 48,097 (1d) | | 121,008 |
| Irrigation | 104,868 | 99,193 | 84,076 (1f) | | 183,269 |
| Availability Billing | 202,156 | 211,078 | 183,141 (1h) | | 394,219 |
| Misc. Other Revenue | 20,531 | 19,729 | 18,582 (1j) | | 38,311 |
| Metered Sales-Other | 0 | 0 | 0 | | 0 |
| Billing Adj (Remove Tap Fees) | 0 | 0 | 0 | | 0 |
| Total Revenues | 547,076 | 542,475 | 478,357 | | 1,020,831 |
| Operating Expense: | | | | | |
| Wages | 82,376 | 88,295 | | | 88,295 |
| Benefits | 5,343 | 3,100 | | | 3,100 |
| Officer & Director's Fees | 8,250 | 8,250 | | | 8,250 |
| Sludge Disposal | 0 | 0 | | | 0 |
| Purchased Water | 0 | 0 | | | 0 |
| Power | 83,095 | 64,953 | | | 64,953 |
| Chemicals | 4,740 | 4,510 | | | 4,510 |
| Supplies & Maintenance | 14,544 | 13,828 | | | 13,828 |
| Outside Services-Mgmt | 85,682 | 85,682 | | | 85,682 |
| Outside Services-Engineering | 2,570 | 425 | | | 425 |
| Outside Services-Accounting | 1,381 | 1,381 | | | 1,381 |
| Outside Services-Legal | 11,589 | 11,589 | | | 11,589 |
| Outside Services-Testing | 81,578 | 81,578 | | | 81,578 |
| Outside Services-Other | 31,026 | 31,026 | | | 31,026 |
| Other Operating Expenses | 0 | 0 | | | 0 |
| Transportation | 1,378 | 1,225 | | | 1,225 |
| Bad Debt | 6,676 | 53,249 | 46,806 (20) | | 100,055 |
| Insurance | 24,161 | 19,455 | | | 19,455 |
| Regulatory Commission Expense | 13,506 | 13,506 | | | 13,506 |
| Other A&G Expenses | 14,683 | 14,683 | | | 14,683 |
| Accepted ORS Adjustment | 0 | (30,136) | | | (30,136) |
| Total O&M Expense | 472,578 | 466,598 | 46,806 | | 513,404 |
| Depreciation, Net | 41,938 | 42,028 | | | 42,028 |
| Amortization | 103,038 | 78,325 | | | 78,325 |
| Revenue Taxes | 3,455 | 4,647 | 4,097 (21) | | 8,744 |
| Property Taxes | 91,967 | 96,151 | | | 96,151 |
| Payroll Taxes | 6,866 | 6,606 | | | 6,606 |
| State and Federal Income Taxes | 0 | 0 | 79,716 (22) | | 79,716 |
| Total Operating Expenses | 719,842 | 694,355 | 130,619 | | 824,974 |
| Net Operating Income | (\$172,766) | (\$151,880) | | | \$195,858 |
| Rate Base | \$3,278,504 | \$2,664,011 | | | \$2,664,011 |
| Rate of Return | -5.27% | -5.70% | | | 7.35% |
| | | Revenue Increase | | | 88.2% |

Daufuskie Island Utility Company, Inc.

Sewer Operating Statement

| | Company's Pro Forma Proposed Rates | PSC Order | | | Pro Forma Proposed Rates |
|--------------------------------|--|----------------------------|------------------|--|-----------------------------|
| | | Pro Forma Present Rates | Adjustments | | |
| Operating Revenue: | | | | | |
| Residential | \$180,814 | \$172,590 | \$167,523 (1b) | | \$340,113 |
| Commercial | 75,576 | 73,365 | 65,582 (1d) | | 138,947 |
| Irrigation | 0 | 0 | 0 | | 0 |
| Availability Billing | 272,171 | 274,683 | 229,416 (1f) | | 504,099 |
| Misc. Other Revenue | 9,783 | 10,468 | 9,300 (1h) | | 19,768 |
| Interdepartmental Sales | 0 | 0 | 0 | | 0 |
| Billing Adj (Remove Tap Fees) | 0 | 0 | 0 | | 0 |
| Total Revenues | 538,344 | 531,107 | 471,821 | | 1,002,928 |
| Operating Expense: | | | | | |
| Wages | 82,376 | 88,296 | | | 88,296 |
| Benefits | 5,343 | 3,100 | | | 3,100 |
| Officer & Director's Fees | 8,250 | 8,250 | | | 8,250 |
| Sludge Disposal | 0 | 0 | | | 0 |
| Power | 83,623 | 65,228 | | | 65,228 |
| Chemicals | 4,770 | 4,510 | | | 4,510 |
| Supplies & Maintenance | 13,999 | 13,288 | | | 13,288 |
| Outside Services-Mgmt | 85,682 | 85,682 | | | 85,682 |
| Outside Services-Engineering | 5,443 | 9,712 | | | 9,712 |
| Outside Services-Accounting | 1,381 | 1,381 | | | 1,381 |
| Outside Services-Legal | 11,589 | 11,589 | | | 11,589 |
| Outside Services-Testing | 10,711 | 10,711 | | | 10,711 |
| Outside Services-Other | 7,596 | 7,596 | | | 7,596 |
| Other Operating Expenses | 0 | 0 | | | 0 |
| Transportation | 1,378 | 1,225 | | | 1,225 |
| Bad Debt | 8,086 | 52,133 | 46,972 (20) | | 99,106 |
| Insurance | 24,161 | 19,456 | | | 19,456 |
| Regulatory Commission Expense | 2,130 | 2,130 | | | 2,130 |
| Other A&G Expenses | 21,753 | 21,753 | | | 21,753 |
| Accepted ORS Adjustment | 0 | (15,897) | | | (15,897) |
| Total O&M Expense | 378,271 | 390,143 | 46,972 | | 437,115 |
| Depreciation | 53,328 | 40,532 | | | 40,532 |
| Amortization | 103,038 | 78,325 | | | 78,325 |
| Revenue Taxes | 3,400 | 4,549 | 4,041 (21) | | 8,590 |
| Property Taxes | 100,334 | 96,151 | | | 96,151 |
| Payroll Taxes | 6,866 | 6,606 | | | 6,606 |
| State and Federal Income Taxes | 0 | 0 | 96,626 (22) | | 96,626 |
| Total Operating Expenses | 645,237 | 616,306 | | | 763,944 |
| Net Operating Income | (\$106,893) | (\$85,199) | | | \$238,984 |
| Rate Base | \$3,806,971 | \$3,229,125 | | | \$3,229,125 |
| Rate of Return | -2.81% | -2.64% | | | 7.40% |
| | | | Revenue Increase | | 88.8% |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|----|--|--|--------------|--------------|---|-------------|-------------|---------------|------------|-----------|------------|-----------|-------------|---|---|---|--------------|---|---|---------------|-------------|---------|---|---|
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X |
| 1 | Docket No. 2014-346-WS | | | | | | | | | | | | | | | | Schedule A-5 | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | Page 2 of 2 | | | | | | | |
| 3 | Daufuskie Island Utility Company, Inc. | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Revenue Impact Analysis | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Test Year Revenue - Proposed Rates | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | WATER | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | REFUND | | Revised | | |
| 9 | Customer | Classification | Consumption | Usage Charge | Units | Base Charge | Revenue | Increase Amt. | Increase % | | | | | | | | | | | (\$ 7,902.30) | Base Charge | Revenue | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Haig Point-Residential | 3/4" Meter | | | 1,061 | \$139.98 | \$148,519 | \$82,641 | 125.4% | \$ (0.68) | (721.48) | \$ 139.30 | \$147,797 | | | | | | | | | | | |
| 12 | | 0 to 22,500 gals. | 8,360,179 | \$4.03 | | | \$33,692 | \$10,617 | 46.0% | | | | \$33,692 | | | | | | | | | | | |
| 13 | | Over 22,500 gals. | 3,192,728 | \$4.03 | | | \$12,867 | \$4,055 | 46.0% | | | | \$12,867 | | | | | | | | | | | |
| 14 | Haig Point-Irrigation | | | | 727 | | | \$0 | N/A | | | | | | | | | | | | | | | |
| 15 | | 0 to 18,000 gals. | 8,367,838 | \$4.43 | | | \$37,070 | \$13,974 | 60.5% | | | | \$37,070 | | | | | | | | | | | |
| 16 | | 18,001 to 60,000 gals. | 9,829,270 | \$5.23 | | | \$51,407 | \$21,035 | 69.3% | | | | \$51,407 | | | | | | | | | | | |
| 17 | | Over 60,000 gals. | 10,049,342 | \$6.04 | | | \$60,698 | \$25,525 | 72.6% | | | | \$60,698 | | | | | | | | | | | |
| 18 | Melrose-Residential | 3/4" Meter | | | 452 | \$139.98 | \$63,271 | \$26,786 | 73.4% | \$ (0.68) | (307.36) | \$ 139.30 | \$62,964 | | | | | | | | | | | |
| 19 | | 0 to 22,500 gals. | 4,105,940 | \$4.03 | | | \$16,547 | \$16,547 | N/A | | | | \$16,547 | | | | | | | | | | | |
| 20 | | Over 22,500 gals. | 2,177,808 | \$4.03 | | | \$8,777 | \$3,463 | 65.2% | | | | \$8,777 | | | | | | | | | | | |
| 21 | Melrose-Irrigation | | | | 100 | | | \$0 | N/A | | | | | | | | | | | | | | | |
| 22 | | 0 to 18,000 gals. | 1,368,330 | \$4.43 | | | \$6,062 | \$3,790 | 166.9% | | | | \$6,062 | | | | | | | | | | | |
| 23 | | 18,001 to 60,000 gals. | 2,002,230 | \$5.23 | | | \$10,472 | \$7,148 | 215.1% | | | | \$10,472 | | | | | | | | | | | |
| 24 | | Over 60,000 gals. | 2,986,298 | \$6.04 | | | \$18,037 | \$13,080 | 263.9% | | | | \$18,037 | | | | | | | | | | | |
| 25 | Haig Point-Commercial | Metered | | | 106 | \$195.97 | \$20,773 | \$11,559 | 125.4% | \$ (0.98) | (103.88) | \$ 194.99 | \$20,669 | | | | | | | | | | | |
| 26 | | 0 to 22,500 gals. | 2,413,190 | \$4.03 | | | \$9,725 | \$3,065 | 46.0% | | | | \$9,725 | | | | | | | | | | | |
| 27 | | Over 22,500 gals. | 2,132,690 | \$4.03 | | | \$8,595 | \$2,709 | 46.0% | | | | \$8,595 | | | | | | | | | | | |
| 28 | Melrose-Commercial | Metered | | | 329 | \$195.97 | \$64,475 | \$19,534 | 43.5% | \$ (0.98) | (322.42) | \$ 194.99 | \$64,153 | | | | | | | | | | | |
| 29 | | 0 to 22,500 gals. | 1,752,659 | \$4.03 | | | \$7,063 | \$7,063 | N/A | | | | \$7,063 | | | | | | | | | | | |
| 30 | | Over 22,500 gals. | 2,544,703 | \$4.03 | | | \$10,255 | \$4,046 | 65.2% | | | | \$10,255 | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | | | | | | | | | | | | |
| 32 | | Water Service Total | 61,283,205 | | 2,775 | | \$588,304 | \$276,636 | 88.8% | | -\$1,455 | | \$586,849 | | | | | | | | | | | |
| 33 | | | | | | | | | | | | | | | | | | | | | | | | |
| 34 | SEWER | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | | | | | | | | | | | | | | | | | | | | | | | | |
| 36 | Customer | Classification | Consumption | Usage Charge | Units | Base Charge | Revenue | Increase Amt. | Increase % | | | | | | | | | | | | | | | |
| 37 | | | | | | | | | | | | | | | | | | | | | | | | |
| 38 | Haig Point-Residential | 3/4" Meter | | | 1,061 | \$200.30 | \$212,518 | \$95,405 | 81.5% | \$ (0.98) | (1,039.78) | \$ 199.32 | \$211,479 | | | | | | | | | | | |
| 39 | | 0 to 22,500 gals. | 8,360,179 | \$2.13 | | | \$17,807 | \$6,772 | 61.4% | | | | \$17,807 | | | | | | | | | | | |
| 40 | | Over 22,500 gals. | 3,192,728 | \$2.13 | | | \$6,801 | \$2,586 | 61.4% | | | | \$6,801 | | | | | | | | | | | |
| 41 | Melrose-Residential | 3/4" Meter | | | 448 | \$200.30 | \$89,734 | \$53,572 | 148.1% | \$ (0.98) | (439.04) | \$ 199.32 | \$89,295 | | | | | | | | | | | |
| 42 | | 0 to 22,500 gals. | 3,926,008 | \$2.13 | | | \$8,362 | \$8,362 | N/A | | | | \$8,362 | | | | | | | | | | | |
| 43 | | Over 22,500 gals. | 2,296,390 | \$2.13 | | | \$4,891 | \$827 | 20.3% | | | | \$4,891 | | | | | | | | | | | |
| 44 | Haig Point-Commercial | Metered | | | 102 | \$280.39 | \$28,600 | \$10,422 | 57.3% | \$ (1.39) | (141.78) | \$ 279.00 | \$28,458 | | | | | | | | | | | |
| 45 | | 0 to 22,500 gals. | 2,362,530 | \$2.13 | | | \$5,032 | \$1,914 | 61.4% | | | | \$5,032 | | | | | | | | | | | |
| 46 | | Over 22,500 gals. | 2,132,690 | \$2.13 | | | \$4,543 | \$1,727 | 61.4% | | | | \$4,543 | | | | | | | | | | | |
| 47 | Melrose-Commercial | Metered | | | 329 | \$280.39 | \$92,248 | \$47,307 | 105.3% | \$ (1.39) | (457.31) | \$ 279.00 | \$91,791 | | | | | | | | | | | |
| 48 | | 0 to 22,500 gals. | 1,559,487 | \$2.13 | | | \$3,322 | \$3,322 | N/A | | | | \$3,322 | | | | | | | | | | | |
| 49 | | Over 22,500 gals. | 2,436,565 | \$2.13 | | | \$5,190 | \$877 | 20.3% | | | | \$5,190 | | | | | | | | | | | |
| 50 | | | | | | | | | | | | | | | | | | | | | | | | |
| 51 | | Water Service Total | 26,266,577 | | 1,940 | | \$479,049 | \$233,093 | 94.8% | | -\$2,078 | | \$476,971 | | | | | | | | | | | |
| 52 | | | | | | | | | | | | | | | | | | | | | | | | |
| 53 | REVENUE SUMMARY: | Total Residential Water and Sewer Service Revenues | | | | | \$623,786 | \$311,633 | 99.8% | | | | \$621,278 | | | | | | | | | | | |
| 54 | | Total Commercial Water and Sewer Service Revenues | | | | | \$259,821 | \$113,545 | 77.6% | | | | \$258,796 | | | | | | | | | | | |
| 55 | | Total Irrigation Service Revenues | | | | | \$183,745 | \$84,552 | 85.2% | | | | \$183,745 | | | | | | | | | | | |
| 56 | | | | | Total Water and Sewer Service Revenues | | \$1,067,352 | \$509,730 | 91.4% | | | | \$1,063,819 | | | | | | | | | | | |
| 57 | | | | | | | | | | | | | | | | | | | | | | | | |
| 58 | | Availability Billing-Water | Haig Point | | 1,917 | \$101.03 | \$193,675 | \$134,171 | 225.5% | \$ (0.49) | (939.33) | \$ 100.54 | \$192,735 | | | | | | | | | | | |
| 59 | | | Melrose | | 1,617 | \$101.03 | \$163,366 | \$39,891 | 32.3% | \$ (0.49) | (792.33) | \$ 100.54 | \$162,573 | | | | | | | | | | | |
| 60 | | | Bloody Point | | 368 | \$101.03 | \$37,179 | \$9,079 | 32.3% | \$ (0.49) | (180.32) | \$ 100.54 | \$36,999 | | | | | | | | | | | |
| 61 | | Availability Billing-Sewer | Haig Point | | 1,917 | \$129.19 | \$247,657 | \$141,858 | 134.1% | \$ (0.63) | (1,207.71) | \$ 128.56 | \$246,450 | | | | | | | | | | | |
| 62 | | | Melrose | | 1,617 | \$129.19 | \$208,900 | \$71,326 | 51.8% | \$ (0.63) | (1,018.71) | \$ 128.56 | \$207,882 | | | | | | | | | | | |
| 63 | | | Bloody Point | | 368 | \$129.19 | \$47,542 | \$16,232 | 51.8% | \$ (0.63) | (231.84) | \$ 128.56 | \$47,310 | | | | | | | | | | | |
| 64 | | | | | Total Water and Sewer Availability Revenues | | \$898,318 | \$412,557 | 84.9% | | -\$4,370 | | \$893,948 | | | | | | | | | | | |
| 65 | | | | | | | | | | | | | | | | | | | | | | | | |
| 66 | | | | | Total Misc. Other Revenue | | \$58,079 | \$27,882 | 92.3% | | | | \$58,079 | | | | | | | | | | | |
| 67 | | | | | | | | | | | | | | | | | | | | | | | | |
| 68 | | | | | Total Operating Revenue | | \$2,023,750 | \$950,169 | 88.5% | | -\$7,903 | | \$2,015,847 | | | | | | | | | | | |